

By: Representatives Barker, Dixon

To: Public Health and Human Services

HOUSE BILL NO. 1328

1 AN ACT TO CREATE THE SMALL BUSINESS AND GROCER INVESTMENT  
2 ACT; TO PROVIDE THAT, TO THE EXTENT FUNDS ARE AVAILABLE, THE  
3 MISSISSIPPI DEVELOPMENT AUTHORITY, IN COOPERATION WITH PUBLIC AND  
4 PRIVATE SECTOR PARTNERS, SHALL ESTABLISH A PROGRAM THAT PROVIDES  
5 GRANTS AND LOANS TO HEALTHY FOOD RETAILERS THAT INCREASE ACCESS TO  
6 FRESH FRUITS AND VEGETABLES AND OTHER AFFORDABLE HEALTHY FOOD IN  
7 UNDERSERVED COMMUNITIES; TO PROVIDE THAT THE MISSISSIPPI  
8 DEVELOPMENT AUTHORITY MAY CONTRACT WITH ONE OR MORE QUALIFIED  
9 NONPROFIT ORGANIZATIONS OR COMMUNITY DEVELOPMENT FINANCIAL  
10 INSTITUTIONS TO ADMINISTER THE PROGRAM DESCRIBED IN THIS ACT  
11 THROUGH A PUBLIC-PRIVATE PARTNERSHIP, TO RAISE MATCHING FUNDS,  
12 MARKET THE PROGRAM STATEWIDE, EVALUATE APPLICANTS, MAKE AWARD  
13 DECISIONS, UNDERWRITE LOANS, AND MONITOR COMPLIANCE AND IMPACT; TO  
14 PROVIDE THAT THE PROGRAM SHALL PROVIDE FUNDING ON A COMPETITIVE,  
15 ONE-TIME BASIS AS APPROPRIATE FOR THE ELIGIBLE PROJECT; TO PROVIDE  
16 THE TYPES OF PROGRAMS AND PROJECTS FOR WHICH FUNDING MAY BE  
17 PROVIDED; TO PROVIDE THE CRITERIA THAT MUST BE MET FOR FUNDING  
18 UNDER THE PROGRAM; TO PROVIDE THAT THE MISSISSIPPI DEVELOPMENT  
19 AUTHORITY SHALL ESTABLISH PROGRAM BENCHMARKS AND REPORTING  
20 PROCESSES TO MAKE CERTAIN THAT THE PROGRAM BENEFITS BOTH RURAL AND  
21 URBAN COMMUNITIES IN MISSISSIPPI; AND FOR RELATED PURPOSES.

22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

23 **SECTION 1.** This act shall be known as the "Small Business  
24 and Grocer Investment Act."

25 **SECTION 2.** The Legislature finds the following:



26           (a) Developing high quality retail food outlets also  
27 creates jobs, expands markets for Mississippi farmers, and  
28 supports economic vitality in underserved communities.

29           (b) Increasing access to retail food outlets that sell  
30 fresh fruits, vegetables and other healthy food is an important  
31 strategy for fighting the obesity epidemic and improving health.  
32 Studies have shown that people with better access to supermarkets  
33 and fresh produce tend to have healthier diets and lower levels of  
34 obesity.

35           (c) The program established under this act is intended  
36 to provide a dedicated source of financing for healthy food  
37 retailers operating in underserved communities in Mississippi, in  
38 both urban and rural areas; to increase access to affordable  
39 healthy food so as to improve diets and health; to promote the  
40 sale and consumption of fresh fruits and vegetables, particularly  
41 those that are Mississippi grown; and to support expanded economic  
42 opportunities in low-income and rural communities.

43           **SECTION 3.** As used in this act:

44           (a) "Agency" means the Mississippi Development  
45 Authority.

46           (b) "Funding" means grants, loans, or a combination of  
47 grants and loans.

48           (c) "Healthy food retailers" means for-profit or  
49 not-for-profit retailers that sell high quality fresh fruits and



50 vegetables at competitive prices, including, but not limited to,  
51 supermarkets, grocery stores and farmers' markets.

52 (d) "Program" means a public-private partnership  
53 established in the state by the Mississippi Development Authority  
54 to provide a dedicated source of financing for food retailers that  
55 increase access to fresh fruits and vegetables and other  
56 affordable healthy food for Mississippi residents overseen by the  
57 Mississippi Development Authority.

58 (e) "Underserved community" means a geographic area  
59 that has limited access to healthy food retailers, or an area that  
60 is otherwise determined to have serious healthy food access  
61 limitations, that is located in a county that has been designated  
62 by the Department of Revenue as a Tier Two or Tier Three area  
63 under the provisions of Section 57-73-21(1).

64 **SECTION 4.** (1) To the extent funds are available, the  
65 Mississippi Development Authority, in cooperation with public and  
66 private sector partners, is authorized to establish a program  
67 modeled on comparable initiatives throughout the country that  
68 provides grants and loans to healthy food retailers that increase  
69 access to fresh fruits and vegetables and other affordable healthy  
70 food in underserved communities.

71 (2) The agency may contract with one or more qualified  
72 nonprofit organizations or community development financial  
73 institutions to administer the program described in this act  
74 through a public-private partnership, to raise matching funds,



75 market the program statewide, evaluate applicants, make award  
76 decisions, underwrite loans and monitor compliance and impact.  
77 The agency and its partners shall coordinate with complementary  
78 nutrition assistance and education programs.

79 (3) Any funding provided under the program shall be provided  
80 on a competitive, one-time basis as appropriate for the eligible  
81 project.

82 (4) (a) The program may provide funding for projects such  
83 as:

84 (i) New construction of supermarkets and grocery  
85 stores. However, if a loan is provided under the program for this  
86 purpose, the supermarket or grocery store that is constructed with  
87 funds from the loan shall not, during the life of the loan, have a  
88 facility that is permitted by the State Department of Health that  
89 sells prepared food at retail.

90 (ii) Store renovations, expansion and  
91 infrastructure upgrades that improve the availability and quality  
92 of fresh produce.

93 (iii) Farmers' markets and public markets, food  
94 cooperatives, mobile markets and delivery projects and  
95 distribution projects that enable food retailers in underserved  
96 communities to regularly obtain fresh produce.

97 (iv) Other projects that create or improve healthy  
98 food retail outlets that meet the intent of this act as determined  
99 by the agency.



100 (b) Funding made available for projects included in  
101 paragraph (a) of this subsection may be used for the following  
102 purposes:

103 (i) Site acquisition and preparation.

104 (ii) Construction costs.

105 (iii) Equipment and furnishings.

106 (iv) Workforce training.

107 (v) Security.

108 (vi) Certain predevelopment costs such as market  
109 studies and appraisals.

110 (vii) Working capital for initial inventory and  
111 costs.

112 (5) An applicant for funding may be a for-profit or a  
113 not-for-profit entity, including, but not limited to, a sole  
114 proprietorship, partnership, limited liability company,  
115 corporation, cooperative, nonprofit organization, nonprofit  
116 community development entity, university or governmental entity.

117 (6) In order to be considered for funding, an applicant  
118 shall meet the following eligibility criteria:

119 (a) The project for which the applicant seeks funding  
120 shall benefit an underserved community.

121 (b) The applicant shall demonstrate a meaningful  
122 commitment to sell fresh fruits and vegetables, according to a  
123 measurable standard established by the agency.



124 (7) Applicants shall be evaluated on the following financial  
125 criteria in order to determine the funding awarded:

126 (a) Demonstrated capacity to successfully implement the  
127 project, including the applicant's relevant experience and the  
128 likelihood that the project will be economically self-sustaining.

129 (b) The ability of the applicant to repay debt.

130 (c) The degree to which the project requires an  
131 investment of public funding to move forward, create impact or be  
132 competitive, and the level of need in the area to be served.  
133 Additional factors that will improve or preserve retail access for  
134 low-income residents, such as proximity to public transit lines,  
135 also may be taken into account.

136 (d) The degree to which the project will promote sales  
137 of fresh produce, particularly Mississippi-grown fruits and  
138 vegetables.

139 (e) The degree to which the project will have a  
140 positive economic impact on the underserved community, including,  
141 creating or retaining jobs for local residents.

142 (f) Other criteria that the agency determines to be  
143 consistent with the purposes of this act.

144 (8) The agency shall establish program benchmarks and  
145 reporting processes to make certain that the program benefits the  
146 communities in the program area. The agency shall likewise  
147 establish monitoring and accountability mechanisms for projects



148 receiving grants or loans, such as tracking fruit and vegetable  
149 sales data.

150 (9) The agency shall prepare and submit an annual report to  
151 the Legislature on any projects funded and outcome data.

152 (10) The agency shall establish rules for the implementation  
153 of the act.

154 **SECTION 5.** Funds described in this act, to the extent  
155 practicable, may be used to leverage other funding, including, but  
156 not limited to, New Markets Tax Credits, federal and foundation  
157 grant programs, incentives available to designated Enterprise  
158 Zones or Renewal Communities, operator equity and funding from  
159 private sector financial institutions under the federal Community  
160 Reinvestment Act.

161 **SECTION 6.** This act shall take effect and be in force from  
162 and after July 1, 2014.

